

EXHIBIT 1

INTRODUCTION

Respondent Andrea L. Hooper has been the City Clerk of the City of Lynwood since November 1982. While serving as the Lynwood City Clerk, Respondent Hooper was an unsuccessful candidate for a seat on the Lynwood City Council in the November 4, 1997 election. Respondent Hooper was subsequently re-elected as the Lynwood City Clerk in the November 2, 1999 election.

Respondent Committee to Elect Andrea L. Hooper (the “Committee”) is the controlled committee of Respondent Hooper. Respondent Committee served as the controlled committee of Respondent Hooper during her unsuccessful City Council election campaign, as well as her successful City Clerk re-election campaign.

Respondent Ethel Pacheco was at all relevant times the treasurer of Respondent Committee to Elect Andrea L. Hooper.

Prior to the November 4, 1997 election, Respondents were required by the Political Reform Act (the “Act”)¹ to file two pre-election campaign statements, and failed to do so, thereby committing two violations of the Act. They also failed to timely file two semi-annual campaign statements after that election, thereby committing two additional violations of the Act.

Prior to the November 2, 1999 election, Respondents were required to file two pre-election campaign statements, and failed to timely do so, thereby committing two violations of the Act. Respondent Andrea L. Hooper also made a contribution, in the form of a loan, to Respondent Committee for \$1,525 dollars during the late contribution reporting period prior to the election, and Respondents failed to file a late contribution report disclosing this late contribution within 24 hours of its receipt. Moreover, \$525 of the loan was in the form of cash, in further violation of the Act. Finally, following this election, Respondents failed to timely file a semi-annual campaign statement, thereby committing an additional violation of the Act.

For the purposes of this Stipulation, Respondents’ violations are stated as follows:

COUNT 1: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a first pre-election campaign statement by September 25, 1997, for the reporting period July 1, 1997 through September 20, 1997, in violation of Section 84200.8, subdivision (a).

¹The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

- COUNT 2: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a second pre-election campaign statement by October 23, 1997, for the reporting period September 21, 1997 through October 18, 1997, in violation of Section 84200.8, subdivision (b).
- COUNT 3: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a semi-annual campaign statement by July 31, 1998, for the reporting period January 1, 1998 through June 30, 1998, in violation of Section 84200, subdivision (a).
- COUNT 4: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a semi-annual campaign statement by January 31, 1999, for the reporting period July 1, 1998 through December 31, 1998, in violation of Section 84200, subdivision (a).
- COUNT 5: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a first pre-election campaign statement by September 23, 1999, for the reporting period July 1, 1999 through September 18, 1999, in violation of Section 84200.8, subdivision (a).
- COUNT 6: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a second pre-election campaign statement by October 21, 1999, for the reporting period September 19, 1999 through October 16, 1999, in violation of Section 84200.8, subdivision (b).
- COUNT 7: On or about October 24, 1999, Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco received a cash contribution of \$100 or more, specifically in the amount of \$525, in violation of Section 84300, subdivision (a).
- COUNT 8: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to disclose a \$1,525 late contribution in a properly filed late contribution report, by October 25, 1999, in violation of Section 84203.
- COUNT 9: Respondents Andrea L. Hooper, Committee to Elect Andrea L. Hooper and Ethel Pacheco failed to file a semi-annual campaign statement by January 31, 2000, for the reporting period October 17, 1999 through December 31, 1999, in violation of Section 84200, subdivision (a).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that

the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Duty to File Campaign Statements

A candidate, pursuant to section 82007, is required to file certain specified campaign statements. Section 82007 includes within the definition of a “candidate” any individual who is listed on the ballot, for nomination for or election to any elective office, or who receives a contribution or makes an expenditure with a view to bringing about his or her nomination or election to any elective office.

Any person or persons who constitutes a recipient committee, pursuant to section 82013, subdivision (a), is required to file certain specified campaign statements. Section 82013, subdivision (a) includes within the definition of “committee” any person or combination of persons that directly or indirectly receives contributions totaling one thousand dollars (\$1,000) or more in a calendar year. This type of committee is commonly referred to as a “recipient committee”.

The duty of candidates and committees to file campaign statements includes the filing of pre-election campaign statements, semi-annual campaign statements, and late contribution reports, as outlined below.

Duty to File Pre-Election Campaign Statements

Section 84200.5, subdivision (c) requires all candidates and their controlled committees, for an election that is not being held in June or November of an even-numbered year, to file pre-election campaign statements according to a schedule set forth at Section 84200.8. Subdivision (a) of Section 84200.8 requires candidates and their controlled committees to file a first pre-election statement no later than forty days before the election, disclosing contributions and expenditures occurring up to forty-five days before the election. Subdivision (b) of Section 84200.8 requires candidates and their controlled committees to file a second pre-election statement no later than twelve days before the election, disclosing contributions and expenditures occurring between forty-five and seventeen days before the election.

Duty to File Semi-Annual Campaign Statements

Section 84200, subdivision (a) requires candidates and recipient committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

Prohibition of Cash Contributions of \$100 or More

Under Section 84300, subdivision (a), no contribution of one hundred dollars (\$100) or more shall be made or received in cash by a candidate or committee. Under Sections 82015 and 82044, a candidate's loan of his or her own funds to his or her controlled committee is considered a contribution.

Duty to File Late Contribution Reports

Under Section 84203, subdivision (b), when a candidate or committee makes or receives a late contribution, the candidate and committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a "late contribution" as a contribution, including a loan, aggregating \$1,000 or more, that is received before an election, but after the closing date of the last pre-election statement. Under Section 84200.8, subdivision (b), for an election held in June or November of an odd-numbered year, the late contribution period covers the last 16 days before the election.

Treasurer Liability

Section 81004, subdivision (b), Section 84100, and Regulation 18427, subdivision (a), require a committee's treasurer to ensure that the committee complies with the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly liable, along with the committee, for any reporting violations committed by the committee.

SUMMARY OF THE FACTS

Respondent Andrea L. Hooper has been the City Clerk of the City of Lynwood since November 1982. While serving as the Lynwood City Clerk, Respondent Hooper was an unsuccessful candidate for a seat on the Lynwood City Council in the November 4, 1997 election. Respondent Hooper was subsequently re-elected as the Lynwood City Clerk in the November 2, 1999 election. Respondent Committee to Elect Andrea L. Hooper (the "Committee") is the controlled committee of Respondent Hooper, and it served as her controlled committee during her unsuccessful City Council election campaign, as well as her successful City Clerk re-election campaign. Respondent Ethel Pacheco was at all relevant times the treasurer of Respondent Committee to Elect Andrea L. Hooper.

THE CITY COUNCIL ELECTION

COUNTS 1-2

Failure to File Pre-Election Campaign Statements

As a candidate, a controlled recipient committee, and a committee treasurer, Respondents had a duty to file two pre-election campaign statements, disclosing the contributions and expenditures of Respondent Committee prior to the November 4, 1997 election. The first pre-election campaign

statement Respondents were required to file was for the reporting period July 1, 1997 through September 20, 1997, and was due by September 25, 1997. The second pre-election campaign statement Respondents were required to file was for the reporting period September 21, 1997 through October 18, 1997, and was due by October 23, 1997. Respondents failed to file a first pre-election campaign statement by September 25, 1997, in violation of Section 84200.8, subdivision (a). Furthermore, Respondents failed to file a second pre-election campaign statement by October 23, 1997, in violation of Section 84200.8, subdivision (b).

A review of Respondents' campaign statements, as provided by Respondent Hooper, revealed that Respondents filed their first pre-election campaign statement for the incorrect reporting period of July 1, 1997 through September 30, 1997, on or about October 13, 1997, eighteen days after a first pre-election campaign statement was due.

Furthermore, on January 29, 1998, Respondents filed a campaign statement for the period September 30, 1997 through January 31, 1998. This period includes the campaign reporting period that should have been covered on a second pre-election campaign statement and was filed over three months after a second pre-election campaign statement was due.

COUNTS 3-4

Failure to File Semi-Annual Campaign Statements

As a candidate, a controlled recipient committee and a committee treasurer, Respondents had a duty to file, by July 31, 1998, a first semi-annual campaign statement disclosing contributions received and expenditures made during the reporting period January 1, 1998 through June 30, 1998. Furthermore, Respondents had a duty to file a second semi-annual campaign statement, by January 31, 1999, disclosing contributions received and expenditures made during the reporting period July 1, 1998 through December 31, 1998. Respondent failed to file both semi-annual campaign statements in a timely manner. By failing to file two semi-annual campaign statements in a timely manner, as set forth above, Respondents committed two violations of Section 84200, subdivision (a).

Respondents filed a semi-annual campaign statement for the reporting period January 1, 1998 through June 30, 1998 over six weeks late, on or about September 14, 1998. The semi-annual campaign statement was for the incorrect reporting period of January 31, 1998 through June 30, 1998. In addition, Respondent Pacheco failed to sign the late filed semi-annual statement, as she was required to do under Section 81004 and Regulation 18427, subdivision (a) for the filing to be proper.

Respondents filed a second semi-annual campaign statement for the reporting period July 1, 1998 through December 31, 1998 over five weeks late, on or about March 9, 1999. In addition, Respondent Andrea L. Hooper did not sign this semi-annual statement, as she was required to do under Section 84213 and Regulation 18427, subdivision (c) for the filing to be proper.

THE CITY CLERK RE-ELECTION

COUNTS 5-6

Failure to File Pre-Election Campaign Statements

As a candidate, a controlled recipient committee and a treasurer, Respondents had a duty to file two pre-election campaign statements, disclosing the contributions and expenditures of Respondent Committee prior to the November 2, 1999 election. The first pre-election campaign statement that Respondents were required to file was for the reporting period July 1, 1999 through September 18, 1999, and was due by September 23, 1999. The second pre-election campaign statement Respondents were to file was for the reporting period September 19, 1999 through October 16, 1999, and was due by October 21, 1999. Respondents failed to file a first pre-election campaign statement by September 19, 1999, in violation of Section 84200.8, subdivision (a). Furthermore, Respondents failed to file a second pre-election campaign statement by October 21, 1999, in violation of Section 84200.8, subdivision (b).

Respondents filed their first pre-election campaign statement with the Lynwood City Clerk's office for the incorrect reporting period of July 1, 1999 through September 10, 1999, on October 5, 1999, twelve days after a first pre-election campaign statement was due. Respondents filed their second pre-election campaign statement for the incorrect reporting period of September 11, 1999 through October 15, 1999, on November 1, 1999, eleven days after a second pre-election campaign statement was due.

COUNT 7

Receipt of a Cash Contribution

As a candidate, a controlled recipient committee, and a treasurer, Respondents had a duty not to make or receive contributions, including a loan, of one hundred dollars (\$100) or more in cash.

On October 24, 1999, Respondent Andrea L. Hooper made a late contribution, in the form of a loan, to Respondent Committee in the amount of \$1,525, as described below in Count 8. Respondents' semi-annual campaign statement for the reporting period October 17, 1999 through December 31, 1999,² as provided by Respondent Hooper, indicates that \$525 of the loan was cash.

By receiving a cash contribution of one hundred dollars (\$100) or more, Respondents committed a violation of Section 84300, subdivision (a).

² Respondent Committee's semi-annual campaign statement for this period incorrectly identified the period covered by the statement as October 16, 1999 through January 31, 2000.

COUNT 8

Failure to File a Late Contribution Report

As a candidate, a controlled recipient committee, and a treasurer, Respondents had a duty to file late contribution reports, disclosing, within 24 hours, any late contributions that they made or received.

On October 24, 1999, Respondent Hooper made a late contribution, in the form of a loan, to Respondent Committee in the amount of \$1,525 during the late contribution period. Respondent Committee had a duty to file a late contribution report within 24 hours of receipt of the loan, disclosing the \$1,525 late contribution. Respondent Committee failed to file a late contribution report disclosing the late contribution within 24 hours of its receipt.

By failing to file a late contribution report by October 25, 1999, disclosing a \$1,525 late contribution, as set forth above, Respondents committed a violation of Section 84203, subdivision (b).

COUNT 9

Failure to File Semi-Annual Campaign Statement

As a candidate, a controlled recipient committee and a treasurer, Respondents had a duty to file a semi-annual campaign statement by January 31, 2000, disclosing contributions received and expenditures made during the reporting period October 17, 1999 through December 31, 1999. Respondents failed to file a semi-annual campaign statement in a timely manner, thereby committing a violation of Section 84200, subdivision (a).

Respondents filed a semi-annual campaign statement for the reporting period October 17, 1999 through December 31, 1999 eight days late, on or about February 8, 2000. The semi-annual campaign statement was for the incorrect reporting period of October 16, 1999 through January 31, 2000.

CONCLUSION

This matter consists of nine counts, which carry a maximum possible administrative penalty of Eighteen Thousand Dollars (18,000).

In this matter, Respondents failed to timely file seven campaign statements during various reporting periods between September 1997 and January 2001. Respondents also failed to file a late contribution report and received a cash contribution of \$100 or more. In an effort to avoid similar violations in the future, Respondents Andrea L. Hooper and the Committee to Elect Andrea L. Hooper have retained professional services to assist with future campaign reporting. Finally, Respondents do not have a history of any prior enforcement action being taken against them.

Regarding Counts 1-2 and 5-6, involving the failure to timely file pre-election campaign statements, the typical stipulated administrative penalty has historically ranged from \$1,500 to \$2,000 per statement. As Respondents' violations appear to be especially aggravated due to the number of violations, an administrative penalty approximating the higher end of that penalty range is appropriate.

Regarding Counts 3-4 and 9, involving the failure to timely file semi-annual campaign statements, the typical stipulated administrative penalty has historically ranged from \$1,000 to \$1,500 per statement. As these violations appear to be especially aggravated, due to the additional reporting violations and negligence by Respondents, an administrative penalty at the higher end of that range is appropriate.

Regarding Count 7, the typical stipulated administrative penalty for the receipt of cash contributions has historically ranged from \$1,000 to \$2,000 per statement. As this violation appears to be especially aggravated, because of Respondent Hooper's presumed knowledge as a City Clerk, and due to the additional reporting violations, an administrative penalty approximating the higher end of that penalty range is appropriate.

Regarding Count 8, under the Enforcement Division's Streamlined Late Contribution Enforcement Program, the approved administrative penalty for failing to timely disclose late contributions is 15 percent of the amount of the undisclosed contributions. Although this case has been excluded from the Program, due to Respondent's additional reporting violations, the late contribution reporting violation in this case does not appear to be especially aggravated, so imposition of a penalty approximating that standard penalty is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Fourteen Thousand Five Hundred Dollars (\$14,500).